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RECREATION DISTRICT NO. 6  
OF CAMERON PARISH  
CAMERON, LOUISIANA

ANNUAL FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION

Year Ended December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/29/07

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## RECREATION DISTRICT NO. 6 OF CAMERON PARISH

### Management's Discussion and Analysis

Within this section of the Recreation District No. 6 of Cameron Parish, Louisiana's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2006. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$3,179,570 (net assets) for the fiscal year reported.
- Total revenues of \$254,653 exceeded total expenses of \$33,393 which resulted in a current year surplus of \$221,260, compared to a prior year surplus of \$122,637.
- Total net assets are comprised of the following:
  - (1) Capital assets of \$387,516 include property and equipment, net of accumulated depreciation. There is no outstanding debt related to the purchase or construction of capital assets.
  - (2) Unrestricted net assets of \$2,792,054 represent the portion available to maintain the District's continuing obligations to taxpayers and creditors.
- Overall, the District continues to maintain a strong financial position and is continuing to work to improve on this financial position. The recovery from Hurricane Rita will have a financial impact (although unknown at this time) on the District in the near future.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

### OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements.

## RECREATION DISTRICT NO. 6 OF CAMERON PARISH

### Management's Discussion and Analysis (Continued)

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of District infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by tax and from activities that are intended to recover all or a significant portion of their costs through user fees and charges.

#### FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole.

The District has one kind of fund:

*Governmental fund* is reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental fund. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

## RECREATION DISTRICT NO. 6 OF CAMERON PARISH

### Management's Discussion and Analysis (Continued)

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

### NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

### OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. This schedule demonstrates compliance with the District's adopted and final revised budget.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as a whole.

The District's net assets at fiscal year-end are \$3,179,570. The following table provides a summary of the District's net assets:

Assets:	2006		2005	
Current assets	\$ 2,801,712	88 %	\$ 2,602,801	87 %
Capital assets, net	387,516	12	389,739	13
Total assets	<u>3,189,228</u>	<u>100 %</u>	<u>2,992,540</u>	<u>100 %</u>
Liabilities:				
Current liabilities	<u>9,658</u>	<u>100 %</u>	<u>34,230</u>	<u>100 %</u>
Net assets:				
Investment in capital assets	387,516	12 %	389,739	13 %
Unrestricted	<u>2,792,054</u>	<u>88</u>	<u>2,568,571</u>	<u>87</u>
Total net assets	<u>\$ 3,179,570</u>	<u>100 %</u>	<u>\$ 2,958,310</u>	<u>100 %</u>

## RECREATION DISTRICT NO. 6 OF CAMERON PARISH

### Management's Discussion and Analysis (Continued)

Net assets increased by \$221,260 for the current year (\$122,637 for 2005). Note that approximately 13% (13% for 2005) of the net assets are tied up in capital. The District uses these capital assets to provide services to its taxpayers.

The following table provides a summary of the District's changes in net assets:

Revenues:					
Program:		<u>2006</u>		<u>2005</u>	
Charges for services	\$	-	-	\$ 34,587	8 %
General:					
Property taxes, net		210,987	83	368,161	87
Interest		43,503	17	19,908	5
Miscellaneous		<u>163</u>	<u>-</u>	<u>1,163</u>	<u>-</u>
Total Revenues		254,653	<u>100 %</u>	423,819	<u>100 %</u>
Program expenses:					
General government		<u>33,393</u>		<u>301,182</u>	
Change in net assets		221,260		122,637	
Beginning net assets		<u>2,958,310</u>		<u>2,835,673</u>	
Ending net assets		<u>\$ 3,179,570</u>		<u>\$ 2,958,310</u>	

### GOVERNMENTAL REVENUES

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 83% (87% for 2005) of the District's total revenues. As a result, the general economy and the local businesses have a major impact on the District's revenue streams.

### BUDGETARY HIGHLIGHTS

The revenue and the expenditure side of the original budget for the General Fund was increased by \$26,181 and decreased by \$215,700, respectively this year. The primary change in the general fund's revenue budget relates to the anticipated increase in property tax revenues. The expenditure budget was mainly decreased for capital outlay, repairs and salaries.

The actual revenues were in excess of the final budget by \$120,255 or 32% due to less than anticipated property tax revenues and the final expenditure budget was in excess of the actual expenditures by \$25,745 or 45% mainly due to insurance expense.

## RECREATION DISTRICT NO. 6 OF CAMERON PARISH

### Management's Discussion and Analysis (Continued)

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital assets

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2006, was \$387,516. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Non-depreciable assets:	<u>2006</u>	<u>2005</u>
Land	\$ 384,366	\$ 384,366
Depreciable assets:		
Equipment	<u>11,117</u>	<u>11,117</u>
Total depreciable assets	<u>11,117</u>	<u>11,117</u>
Less accumulated depreciation	<u>7,967</u>	<u>5,744</u>
Book value-depreciable assets	<u>\$ 3,150</u>	<u>\$ 5,373</u>
Percentage depreciated	<u>72 %</u>	<u>52 %</u>
Book value-all assets	<u>\$ 387,516</u>	<u>\$ 389,739</u>

#### LONG-TERM DEBT

At the end of the fiscal year, the District had no debt.

#### ECONOMIC CONDITIONS AFFECTING THE DISTRICT

Since the primary revenue stream for the District is property taxes, the District's property tax revenues are subject to changes in the economy. Since property taxes are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy.

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the District's Secretary/Treasurer, Belinda Dockins, P. O. Box 1250, Cameron, LA 70631.



**GRAGSON, CASIDAY & GUILLORY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.  
RICHARD W. CASIDAY, C.P.A.  
RAYMOND GUILLORY, JR., C.P.A.  
GRAHAM A. PORTUS, E.A.  
COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
JULIA W. PORTUS, C.P.A.

June 21, 2006

Board of Directors  
Recreation District No. 6 of  
Cameron Parish  
Cameron, Louisiana

We have reviewed the accompanying basic financial statements of the Recreation District No. 6 of Cameron Parish, a component unit of Cameron Parish Police Jury, as of December 31, 2006, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Recreation District No. 6 of Cameron Parish.

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the required supplemental information are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with the Louisiana Government Audit Guide and the provisions of state law, we have issued a report, dated June 21, 2006, on the results of our agreed-upon procedures.

*Gragson, Casiday & Guillory*



**BASIC FINANCIAL STATEMENTS**

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Statement of Net Assets

December 31, 2006

ASSETS	
Cash	\$ 1,750,196
Receivables	240,157
Prepaid expenses – Hurricane Rita	811,359
Capital assets:	
Land	384,366
Capital assets, net	<u>3,150</u>
Total assets	3,189,228
LIABILITIES	
Accounts and other accrued payables	<u>9,658</u>
NET ASSETS	
Invested in capital assets	387,516
Unrestricted	<u>2,792,054</u>
Total net assets	<u>\$ 3,179,570</u>

The accompanying notes and accountants' report are an integral part of these financial statements.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Statement of Activities

Year Ended December 31, 2006

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
General government	\$ (33,393)	\$ -	\$ -	\$ (33,393)
		General Revenues:		
			Property taxes, net	210,987
			Interest	43,503
			Miscellaneous	163
			Total General Revenues	254,653
			Change in Net Assets	221,260
			Net Assets, beginning	2,958,310
			Net Assets, ending	\$ 3,179,570

The accompanying notes and accountants' report are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Balance Sheet – Governmental Funds

December 31, 2006

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash	\$ 1,750,196	\$ 657,392
Receivables		
Ad valorem taxes (net)	<u>240,157</u>	<u>356,364</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 1,990,353</b></u>	<u><b>\$ 1,013,756</b></u>
 <b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities</b>		
Accounts payable	\$ 9,658	\$ 34,230
Deferred Income	<u>777,686</u>	<u>-</u>
	<u>787,344</u>	<u>34,230</u>
 <b>Fund Equity</b>		
Fund balances		
Unreserved and Undesigned	<u>1,203,009</u>	<u>979,526</u>
<b>Total fund equity</b>	<u><b>1,203,009</b></u>	<u><b>979,526</b></u>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u><b>\$ 1,990,353</b></u>	<u><b>\$ 1,013,756</b></u>

The accompanying notes and accountants' report are an integral part of these financial statements.

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Reconciliation of the Balance Sheet-Governmental Funds to the  
Statement of Net Assets

December 31, 2006

Total fund balance for governmental fund at December 31, 2006	\$ 1,203,009
---	--------------

Total net assets reported for governmental activities in the  
statement of net assets is different because:

Capital assets used in governmental activities are  
not financial resources and, therefore, are not reported  
in the funds. Those assets consist of:

Land	\$ 384,366	
Capital assets, net of \$7,967 accumulated depreciation	<u>3,150</u>	387,516

Difference between deferred revenue on modified accrual basis versus accrual basis	<u>1,589,045</u>
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Total net assets of governmental activities at December 31, 2006	<u>\$ 3,179,570</u>
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The accompanying notes and accountants' report are an integral part of these financial statements.

# RECREATION DISTRICT NO. 6 OF CAMERON PARISH

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended December 31, 2006

	<u>2006</u>	<u>2005</u>
REVENUES		
Ad valorem taxes - net	\$ 210,987	\$ 368,161
Concessions income	-	23,478
Interest	43,503	19,908
Usage fees	-	11,109
Miscellaneous	163	1,163
TOTAL REVENUES	<u>254,653</u>	<u>423,819</u>
EXPENDITURES		
General Government		
Advertisements	-	30
Fuel	-	1,811
Insurance-employees	3,926	11,488
Insurance-general	2,413	23,239
Miscellaneous	-	5,436
Per diem	160	490
Professional fees	3,600	5,850
Repairs	5,313	50,891
Retirement	1,035	6,084
Salaries	13,909	87,697
Supplies - concessions	-	19,954
Supplies - other	152	1,996
Taxes	612	3,876
Telephone	-	2,558
Utilities	50	20,632
Capital outlay	-	37,987
TOTAL EXPENDITURES	<u>31,170</u>	<u>280,019</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	223,483	143,800
FUND BALANCE - BEGINNING	<u>979,526</u>	<u>835,726</u>
FUND BALANCE - ENDING	<u>\$ 1,203,009</u>	<u>\$ 979,526</u>

The accompanying notes and accountants' report are an integral part of these financial statements.



RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance-Governmental Funds to the Statement of Activities

Year Ended December 31, 2006

Total net changes in fund balance at December 31, 2006  
per Statement of Revenues, Expenditures and Changes in  
Fund Balance \$ 223,483

The change in net assets reported for governmental activities  
in the statement of activities is different because:

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities, the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense.

Capital outlay which is considered expenditures on Statement  
of Revenues, Expenditures and Changes in Fund Balance \$ -  
Depreciation expense for the year ended December 31, 2006 (2,223) (2,223)

Total changes in net assets at December 31, 2006 per Statement  
of Activities \$ 221,260

The accompanying notes and accountants' report are an integral part of these financial  
statements.

# RECREATION DISTRICT NO. 6 OF CAMERON PARISH

## Notes to Basic Financial Statements

December 31, 2006

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Recreation District No. 6 of Cameron Parish was created by the Cameron Parish Police Jury. The District is governed by a board of seven commissioners who are appointed by the Cameron Parish Police Jury. The District establishes regulations governing the park, playground and community center and provides administration, management, maintenance and operations of the facilities.

The more significant of the government's accounting policies are described below.

#### 1. Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 64, the Recreation District No. 6 of Cameron Parish includes all funds, account groups, et cetera, that are within the oversight responsibility of the District.

As the governing authority, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting

Continued

## RECREATION DISTRICT NO. 6 OF CAMERON PARISH

### Notes to Basic Financial Statements

December 31, 2006

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
  - a. The ability of the Cameron Parish Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Cameron Parish Police Jury.
2. Organizations for which the Cameron Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Cameron Parish Police Jury.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, Recreation District No. 6 of Cameron Parish is a component unit of the Cameron Parish Police Jury's reporting entity.

#### 2. Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

#### Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, concessions, usage fees, and other nonexchange revenues.

Continued

# RECREATION DISTRICT NO. 6 OF CAMERON PARISH

## Notes to Basic Financial Statements

December 31, 2006

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of services offered by the District; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund Financial Statements

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

The District has one fund, the general fund, which is therefore considered its major fund.

#### 3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Continued

# RECREATION DISTRICT NO. 6 OF CAMERON PARISH

## Notes to Basic Financial Statements

December 31, 2006

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

#### Measurement Focus

On the government-wide statement of net assets and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

#### 4. Cash

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Continued

## RECREATION DISTRICT NO. 6 OF CAMERON PARISH

### Notes to Basic Financial Statements

December 31, 2006

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 2006, the District had \$1,752,914 in deposits (collected bank balances), of which \$101,757 were secured from risk by federal deposit insurance and \$1,651,157 secured by safekeeping receipts.

#### 5. Budgets

A general fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level.

The budget was amended once during 2006.

#### 6. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

Continued

# RECREATION DISTRICT NO. 6 OF CAMERON PARISH

## Notes to Basic Financial Statements

December 31, 2006

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### 7. Capital Assets

Capital assets, which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20-40 years
Equipment	5-20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the government fund upon acquisition.

#### 8. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At December 31, 2006 the District's liability for compensated absences is \$0.

Continued

RECREATION DISTRICT NO. 6 OF CAMERON PARISH

Notes to Basic Financial Statements

December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.



# RECREATION DISTRICT NO. 6 OF CAMERON PARISH

## Notes to Basic Financial Statements

December 31, 2006

### NOTE B - AD VALOREM TAXES

For the year ended December 31, 2006, taxes were levied on property with taxable assessed valuations as follows:

	<u>General Purposes</u>
Assessed valuation	\$35,288,631
Mileage	7.03

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

### NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2006 follows:

	<u>Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 384,366	\$ -	\$ -	\$ 384,366
Equipment	<u>11,117</u>	<u>-</u>	<u>-</u>	<u>11,117</u>
Totals at historical cost	395,483	-	-	395,483
Less accumulated depreciation for:				
Equipment	<u>5,744</u>	<u>2,223</u>	<u>-</u>	<u>7,967</u>
Governmental activities capital assets, net	<u>\$ 389,739</u>	<u>\$ (2,223)</u>	<u>\$ -</u>	<u>\$ 387,516</u>

# RECREATION DISTRICT NO. 6 OF CAMERON PARISH

## Notes to Basic Financial Statements

December 31, 2006

### NOTE D - PER DIEM

As provided by Louisiana Revised Statute 33:4504, the board members received \$10 per diem for each regular and special meeting attended, but shall not be paid for more than twelve meetings in each year.

Clark, Mary	\$ 30
January, Eva	30
January, Ronald	30
Mudd, Coy	30
Richard, Mary	30
Smith, Gerald	<u>10</u>
	<u>\$ 160</u>

### NOTE E - RETIREMENT COMMITMENTS

The District participates in a state-administered cost-sharing multiple-employer retirement systems, which together cover substantially all of the District's full-time employees. Although separately administered by their respective boards of trustees, these systems are established and regulated by acts of the Louisiana Legislature with respect to membership and contribution requirements, plan benefits, and actuarial determination of funding requirements as provided by the state constitution. Additional disclosures with respect to the District's participation in these systems are provided below.

#### Parochial Employees' Retirement System

The System is composed of two district plans, Plan A and Plan B with separate assets and benefit provisions. Employees of the District are members of Plan B. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least twenty-eight hours per week, not participating in another public funded retirement system and under age fifty-five (55) at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the system.

Continued

## RECREATION DISTRICT NO. 6 OF CAMERON PARISH

### Notes to Basic Financial Statements-Continued

December 31, 2006

#### NOTE E - RETIREMENT COMMITMENTS - CONTINUED

Under Plan B, employees who retire at or after age 62 with at least 10 years of credited services, at or after age 55 with 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation multiplied by the employee's years of credited service. Final compensation is the employee's monthly earnings during the 36 consecutive or jointed months that produce the highest average. The System also provides death and disability benefits. Benefits are established by state statute.

The Parochial Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, LA 70898.

Plan members are required to contribute 2.0% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 2.5% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the System's Board of Trustees. The District's contributions to the System for the year ended December 31, 2006 totaled \$1,035.

#### NOTE F - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, except for possibly in 2005.

#### NOTE G- CONTINGENCIES

On September 23, 2005 Hurricane Rita struck Southwest Louisiana causing significant damage to the District's property and its infrastructure. It is estimated that the total damage is approximately \$3 million. At this time, the amount of potential uninsured and/or unreimbursed losses sustained by the District is estimated at \$0.

At December 31, 2006 the statement of net assets is reporting net expenses/losses of \$811,359 representing hurricane related expenses/costs through that date..

REQUIRED SUPPLEMENTAL INFORMATION

# RECREATION DISTRICT NO. 6 OF CAMERON PARISH

## Budgetary Comparison Schedule

Year Ended December 31, 2006

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Ad valorem taxes-net	\$ 330,908	\$ 330,908	\$ 210,987	\$ (119,921)
Interest	15,000	44,000	43,503	(497)
Miscellaneous	-	-	163	163
TOTAL REVENUES	<u>345,908</u>	<u>374,908</u>	<u>254,653</u>	<u>(120,255)</u>
EXPENDITURES				
General Government				
Insurance-employees	2,000	4,900	3,926	974
Insurance-general	20,000	20,000	2,413	17,587
Per diem	840	200	160	40
Professional fees	6,000	3,600	3,600	-
Repairs	-	5,690	5,313	377
Retirement	1,000	1,500	1,035	465
Salaries	30,000	20,000	13,909	6,091
Supplies - other	1,000	200	152	48
Taxes	1,200	750	612	138
Utilities	200	75	50	25
TOTAL EXPENDITURES	<u>62,240</u>	<u>56,915</u>	<u>31,170</u>	<u>25,745</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	283,668	317,993	223,483	(94,510)
FUND BALANCE-BEGINNING	<u>979,526</u>	<u>979,526</u>	<u>979,526</u>	-
FUND BALANCE-ENDING	<u>\$ 1,263,194</u>	<u>\$ 1,297,519</u>	<u>\$ 1,203,009</u>	<u>\$ (94,510)</u>

See accountants' report.



**GRAGSON, CASIDAY & GUILLORY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.  
RICHARD W. CASIDAY, C.P.A.  
RAYMOND GUILLORY, JR., C.P.A.  
GRAHAM A. PORTUS, E.A.  
COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
JULIA W. PORTUS, C.P.A.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

June 21, 2007

Board of Directors  
Recreation District No. 6  
of Cameron Parish  
Hackberry, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Recreation District No. 6 of Cameron Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Recreation District No. 6 of Cameron Parish's compliance with certain laws and regulations during the year ended December 31, 2005 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**Public Bid Law**

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were none.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

No employees listed in (3) above were included in the family member lists in (2) above.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with the original adopted budget for 2006 and one amendment was made.

6. Trace the budget adoption and amendments to the minute book.

We traced the adopted budget and the amendment for 2006 to approval in the minutes.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were short of budgeted revenues by more than 5% and expenditures met budgeted expenditures for the year within 5%.

#### Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:
- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account.

The payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

The payments received proper approvals.

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the recreation building, a public place. We found no evidence of noncompliance.

#### Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.



Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District and a review of payroll records indicated no payments for any bonuses, advances or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Recreation District No. 6 of Cameron Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Gragson, Casiday & Guillory*

## LOUISIANA ATTESTATION QUESTIONNAIRE

Gragson, Casiday & Guillory  
P.O. Drawer 1847  
Lake Charles, LA 70602

June 21, 2007

In connection with your compilation of our financial statements as of December 31, 2006 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 6, 2006.

### Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [☒] No [ ]

### Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No [ ]

### Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [ ] No [☒]

### Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No [ ]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [☒] No [☐]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No [☐]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [☒] No [☐]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution LSA-RS 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Belinda D. Kline Secretary/Treasurer